

## PROVIDER-BASED QUESTIONNAIRE

### Purpose

This questionnaire is to be used by new applicants and certified providers wishing to be classified as provider-based or another Medicare certified provider for the purpose of Medicare certification and reimbursement. It is also to be used by outpatient clinics and other off-campus locations of hospitals wishing formal acknowledgment that they are part of the hospital.

This questionnaire is NOT to be used for two or more hospitals merging or requests relating to the following: home health agency branches, outpatient rehabilitation facility extension sites, and hospice satellites.

### Terminology

Hereafter, the applicant or certified provider that is seeking provider-based status will be referred to as the entity. The Medicare certified provider (a hospital, skilled nursing facility, or home health agency) where the entity is based will be referred to as the host provider.

### Background

It is the Health Care Financing Administration's (HCFA's) policy that the following criteria (highlighted by italics) must be met before the entity (applicant or certified provider) can be designated as part of the host provider for reimbursement purposes. In order to determine whether these criteria are met, you must answer the following questions. Please provide supporting documentation (organizational charts, proof of ownership change, merger agreement, board minutes, by-laws, contracts, employment agreements, etc.), as appropriate.

### Contacts

Whether completed by a representative of the entity or the host provider, the individual responsible for the answers must sign, date, and provide an address at the end of this questionnaire.

Name, address, and Medicare provider/supplier number of the entity requesting provider-based status.

Entity contact person:

Entity contact person's telephone number:

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Name, address, and Medicare provider number (hospital, SNF, or HHA) of host provider:

Host provider contact person:

Host provider contact person's telephone number:

For hospitals only:

On an attachment, please list by name, location (street address, city, and zip code), and services offered for all off campus location that are the subject of this questionnaire, including locations previously approved as part of the hospital's Medicare certification. For each off campus location also indicate the date when the location was acquired or otherwise became affiliated with the hospital.

### Criteria & Questions

Indicate "NA", if a question is not applicable to your situation. Attach any additional explanation or supporting materials (see above) to document your answers.

1. *The entity must be physically located in close proximity to the host provider where it is based, both serving the same patient population (e.g. from the same service or catchment area).*

a. If not located in the same building or campus of the host provider, indicate time and distance between the locations. \_\_\_\_\_

b. Specify the travel route between the two (interstate, state, county roads). \_\_\_\_\_

c. Is the entity located in a different county? If yes, indicate the counties where the the entity and the host provider are located. \_\_\_\_\_

2. *The entity must be an integral and subordinate part of the host provider where it is based, and as such, be operated with the other departments of that host provider under common licensure (except in situations where the State separately licenses the provider-based entity).*

a. Is the entity commonly licensed with the host provider? Yes\_\_ No\_\_ NA\_\_

b. Is the entity operated as a subordinate part of the host provider? Yes\_\_ No\_\_

c. Is the entity operated as a department of the host provider? Yes\_\_ No\_\_

**3. For accredited providers only. (Hospitals, home health agencies, and ambulatory surgery centers may be accredited.)** *The entity must be included in the accreditation of the host provider where it is based and recognized by the accrediting body as part of the host provider.*

- a. Is the entity accredited as part of the host provider? Yes\_\_ No\_\_
- b. If yes, please attach a supporting letter from the national accrediting body.

**4. The entity must be operated under common ownership and control (i.e., common governance) by the host provider where it is based.** Please answer the following:

a. On what date was common ownership achieved? \_\_\_\_\_ Please attach legal documentation of common ownership. (For Medicare certification purposes, ownership materials must document both the fact of common ownership and the effective date.) Also note that common ownership of multi-tiered organizations means the same owner of the host provider and the entity at the lowest common level. For example, if an umbrella corporation controls the entity and the host provider under separate subsidiary corporations, they have different owners for Medicare purposes.

b. Is the entire staff of the entity employed by the host provider? If not, please explain how the host provider controls the non-employees. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

c. Is the entity subject to common by-laws and operating decisions of the governing body of the host provider where it is based? Yes\_\_ No\_\_ (Supply documentation of how the entity came under the by-laws and control of the governing board of the the host provider.)

d. Does the host provider have final responsibility for administrative decisions, final approval for personnel actions, and final approval for medical staff appointments in the provider-based entity? Yes\_\_ No\_\_

d. Is the entity subject to the personnel policies and practices of the host provider? Yes\_\_ No\_\_

e. If the entity functions as a department of the host provider where it is based, is there significant common resource usage of the buildings, equipment (laboratory, X-rays, office furniture and machines), and on a daily basis. Yes\_\_ No\_\_ NA\_\_ Explain any NA answers: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Question 4. continued

f. Between the entity and the host provider, is there an integration of business records, shared housekeeping and laundry services, common purchasing, and common billing practices? Yes\_\_ No\_\_ Please indicate any of these functions which are not shared: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. *The entity director must be under the direct day-to-day supervision of the host provider where it is based, as evidenced by the following:*

a. Does the director or individual responsible for day-to-day operations at the entity maintain a daily reporting relationship and accountability to the Chief Executive Officer of the host provider? Yes\_\_ No\_\_

b. Does the entity director report through that individual to the governing body of the host provider where the entity is based? Yes\_\_ No\_\_

Note: If not located together, please explain how daily administrative and supervisory control is maintain by the host provider: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. *Clinical services of the entity and the host provider where it is located must be integrated as evidenced by the following:*

a. Do professional staff of the provider-based entity have clinical privileges in the host provider where its is based? Yes\_\_ No\_\_

b. Does the medical director of the entity (if the entity has a medical director) maintain a day-to-day reporting relationship to the Chief Medical Officer or other similar official of the host provider where it is based? Yes\_\_ No\_\_

c. Are all medical staff committees or other professional committees at the host provider where the entity is based responsible for all medical activities in the provider-based entity? Yes\_\_ No\_\_

d. Are medical records for the patients treated in the provider-based entity integrated into the unified records system of the host provider where the entity is based? Yes\_\_ No\_\_ If the integration of medical records is impossible, please explain why \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Question 6. continued

e. Are patients treated at the provider-based entity considered patients of the host provider and do they have full access to all host provider services? Yes\_\_ No\_\_

f. If hospital-based, are patient services provided in the entity integrated into corresponding inpatient, and/or outpatient services of the host provider where it is based? Yes\_\_ No\_\_ NA\_\_ If NA, explain: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

7. *The entity must hold itself the public as part of the host provider where it is based.*

a. Will the public recognize this? Yes\_\_ No\_\_

b. Is the host provider's name on the entity building, office entrance, stationary, bills, medical records, or informational materials? Circle those which apply and explain any other means by which public will recognize the relationship: \_\_\_\_\_  
\_\_\_\_\_

8. *The entity and the host provider where it is based must be financially integrated as evidenced by the following:*

a. Does the entity report its costs in the cost report of the host provider where it is based using the same accounting system for the same cost reporting period as the host provider where it is based? Yes\_\_ No\_\_

b. If the entity is classified as provider-based, it must have the same fiscal intermediary (FI) and fiscal year end (FYE) as the host provider. Please identify the FI (include city and state) and FYE of the host provider: \_\_\_\_\_  
\_\_\_\_\_

Question 8. continued

c. If provided-based status is achieved, explain whether the Medicare program will increase or decrease reimbursement (per patient, per visit, per cost report period, or any other appropriate basis for comparison). Give dollar amounts before and after provider-based classification. [Acting as a prudent purchaser of services that enhance the care of beneficiaries, the Health Care Financing Administration must pay only for those costs that are necessary for the efficient delivery of needed health services.]

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Cost Reporting Note: Although not related to our provider-based determination, please be aware that the entity and the host provider will be required to separately identify costs and revenues attributable to each.

For individual completing this questionnaire:

Signature: \_\_\_\_\_ Print name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

#### **Determinations**

Determinations concerning whether an entity is provider-based will be made by the appropriate HCFA Regional Office (RO) components, i.e., the RO Division of Health Standards and Quality and the RO Division of Medicare/Financial Operation Branch with the assistance of the State survey agency and the fiscal intermediary.

Response to this questionnaire may result in identification of previous provider-based decisions that would not be in accordance with the criteria contained in the questions. In such instances, the ROs are not precluded from taking a corrective action on such erroneous designations or determinations. However, any corrective action will be applied prospectively.

### Sources

A primary source for this questionnaire is the policy based designation guidance issued electronically to fiscal intermediaries on July 31, 1996. This questionnaire is also based, in part, upon the following regulations as applicable.

*Rural health clinics* must meet 42 CFR 405.2462(a):

- (1) The clinic or center is an integral and subordinate part of a hospital, skilled nursing facility or home health agency participating in Medicare (i.e., a provider of services); and
- (2) The clinic or center is operated with other departments of the provider under common licensure, governance, and professional supervision.

For *ambulatory surgery centers*, 42 CFR 416.30(f) applies to the agreement an ASC has with the Health Care Financing Administration (HCFA):

In an ASC operated by a hospital--

- (1) The agreement is made effective the first day of the next Medicare cost reporting period of the hospital that operates the ASC; and
- (2) The ASC participates and is paid only as an ASC, without the option of converting to or being paid as a hospital outpatient department, unless HCFA determines there is a good cause to do otherwise.
- (3) Costs for the ASC are treated as a non-reimbursable cost center on the hospital's cost report.